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FOR IMMEDIATE RELEASE:

**INDIANAPOLIS MAN CHARGED IN
MORTGAGE FRAUD SCHEME**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that JOHN WAGNER, 46, Indianapolis, Indiana, was charged with crimes related to mortgage fraud activities in which he participated from late 2000 to early 2002, when he lived in Indianapolis, Indiana. According to the Information filed today, WAGNER participated with other individuals in fraudulently obtained over \$4,000,000 in loans from a Michigan lending institution by submitting false loan applications, fraudulent financial documents, and falsely inflated appraisals for the purpose of obtaining mortgage loans.

WAGNER was charged with one count of conspiracy to commit mail fraud and one count of money laundering. Today's charges follow an investigation by special agents of the

Internal Revenue Service and the Federal Bureau of Investigation, working as part of the Southern District of Indiana Mortgage Fraud Task Force.

According to the charges, Romero Brice (who plead guilty in September of this year to related mortgage fraud charges) was the owner and licensed mortgage broker for Promise Land Mortgage, an Indianapolis mortgage brokerage business, between late 2000 and early 2002. Brice located and obtained at fair market value (in the names of office employees or investors) properties in low income neighborhoods of Indianapolis. He then used “ investors” to repurchase the properties a very short time later at 3-4 times their fair market value. JOHN WAGNER was Brice’ s main recruiter of investors. WAGNER recruited numerous individuals to participate in the scheme, many of whom were relatives. WAGNER also held investor meetings at the business office he set up to perpetuate this scheme, and gave presentations to investors to convince them to participate in the scheme. WAGNER set up a company called Family Connections LLC, which was used by him to participate in and perpetuate the scheme.

The investors were encouraged by WAGNER to buy 3-4 properties at a time, for “ no money down.” They were given \$10,000.00 per property back at closing by Brice. WAGNER was generally given \$1,000.00-2,000.00 by Brice to locate and bring in the investors. WAGNER was also instrumental in obtaining the false down payment monies “ fronted” for the second sales; WAGNER instructed investors to provide these monies, explaining that they were helping other investors by loaning them money to purchase properties. The investors who provided the down payments received their fronted down payment plus \$500.00 back at closing; WAGNER sometimes received additional monies from

Brice subsequent to closing for obtaining the down payment monies. In addition, WAGNER provided the up-front money for the first (cash) sales on some occasions. After the second closing, WAGNER received this money back, plus several \$1000.00 per property for providing the money.

All of the fraudulent mortgages were obtained thru ABN-AMRO, a Michigan lender. Brice submitted false loan packages to the lender to obtain the mortgages. Along with the fraudulent appraisals, the loan packages included false loan applications, showing that the investors had assets and bank account balances far in excess of what they had.

ABN-AMRO approved and financed at least eighty-three (83) loans, based upon the false documents submitted by Brice. WAGNER was directly involved in fifty-three (53) of these loans. The total amount of those 53 loans was approximately \$2,666,400.00. The total amount of loss suffered by ABN AMRO on these 53 loans was approximately \$1,753,600.00.

According to Assistant United States Attorney Susan Heckard Dowd, who is prosecuting the cases for the government, WAGNER faces a maximum possible prison sentence of 15 years and a maximum possible fine of \$500,000.00. An initial hearing will be scheduled for WAGNER before a United States Magistrate Judge in Indianapolis.

The Information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

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